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Treasurer's New "Death Check" Paying Dividends

State Treasurer Jeb Spaulding announced today that a new system of pension payment oversight implemented by the Treasurer's Office is already saving thousands of dollars in monthly pension fund payments, and will help guard against future overpayments from Vermont's retirement funds.

Since its implementation, the new "death check" system has uncovered twelve cases of overpayments to deceased retirees, totaling a little more than \$140,000. Of this amount, the Treasurer's Office has recovered roughly \$36,000 to date and is working with the Attorney General's Office to obtain repayment of the balance.

"Given that the Retirement Division makes over 8,000 monthly pension payments to retirees, I would say the scope of the overpayments is very small. However, in addition to the \$36,000 already returned, we have also canceled about \$6,500 in monthly payments. That is real money," Spaulding explained.

Spaulding explained that this initiative, which has been in the works since the latter part of last year, relies upon a comprehensive, computer-based search effort to ensure that retirement payments do not continue unabated after the death of a retiree. The so-called "death check," conducted by a third-party contractor, compares the State Retirement Division's data base of retirees against a number of nationwide sources to establish if any of the individuals listed as active retirees, who receive pension checks, have actually died. In the past, the Retirement Division relied primarily on self-reporting by family members and reviewing obituaries in Vermont newspapers.

According to Spaulding, "If the process discovers that payments are being made for the benefit of a deceased retiree, then the Treasurer's Office verifies the death by obtaining a

death certificate, stops future pension payments to the deceased's account, and tries to

recover any overpayment that may have been made subsequent to the retiree's death. If the overpayments cannot be retrieved, or if fraud is suspected, the individual cases are referred to the Attorney General's Office."

At this stage, the Treasurer noted, it is difficult to determine if any of these overpayments resulted from schemes that involved outright fraud.

"What's most important from my perspective, is that we now have an aggressive verification system in place that will minimize overpayments in the future and help to close the door on any opportunity to defraud the State's pension funds," Spaulding concluded.